

October 2011

# IAB UPDATE

## Introduction from your Chief Executive



In this issue are several items which we hope will be of broad interest across the IAB membership. Topics covered include the Autumn 2011 IAB seminars, IAB CPD requirements, a Companies House update regarding electronic services, plus articles on personal safety and pensions.

Importantly, this issue coincides with the issue of IAB membership renewal letters, and we therefore also include an article highlighting the main benefits of IAB membership (see below).

With best wishes,

**Malcolm Trotter, IAB Chief Executive**

## Benefits of IAB Membership for those renewing their subscription

It is that time of year when we invite members to renew their subscription for the next year. We would be grateful if you could make payment promptly on receipt of your renewal notice. Paying promptly avoids the possibility of overlooking to renew, and helps to reduce administrative costs incurred in sending out reminders to members. Should you not receive your renewal notice by November please contact the Membership Department.

There are extensive benefits to being a member of the IAB including:

- Entitlement to use IAB designatory letters after your name as evidence of the fact that you hold a professional qualification.
- Free online access to two monthly 'technical' e-newsletters provided by CCH Wolters Kluwer for the IAB. These are a valuable, authoritative resource helping to ensure that you are kept up-to-date with bookkeeping, accounting, tax and payroll related matters. Just one of these would cost a member over £150 to subscribe to independently.
- Regular IAB e-newsletters and the printed newsletter 'IAB Update' – keeping you informed of news and information about the IAB, your professional body.
- Access to technical advice provided by other experienced members.
- Opportunities for continuing professional development (CPD), including seminars and online modules at special rates for IAB members.
- Entitlement to register and be supervised as an IAB Member in Practice and thereby comply with the Money Laundering Regulations 2007\*.
- Preferential rates for personal and business insurance, discounts on business and lifestyle goods (including IAB Privileges – the source of genuine savings that can easily exceed the IAB annual subscription).
- Access to the IAB Members' Handbook on the IAB website, containing valuable information for all members and sample business documents of particular relevance and use to practising members.
- Annual diary and tax data card.

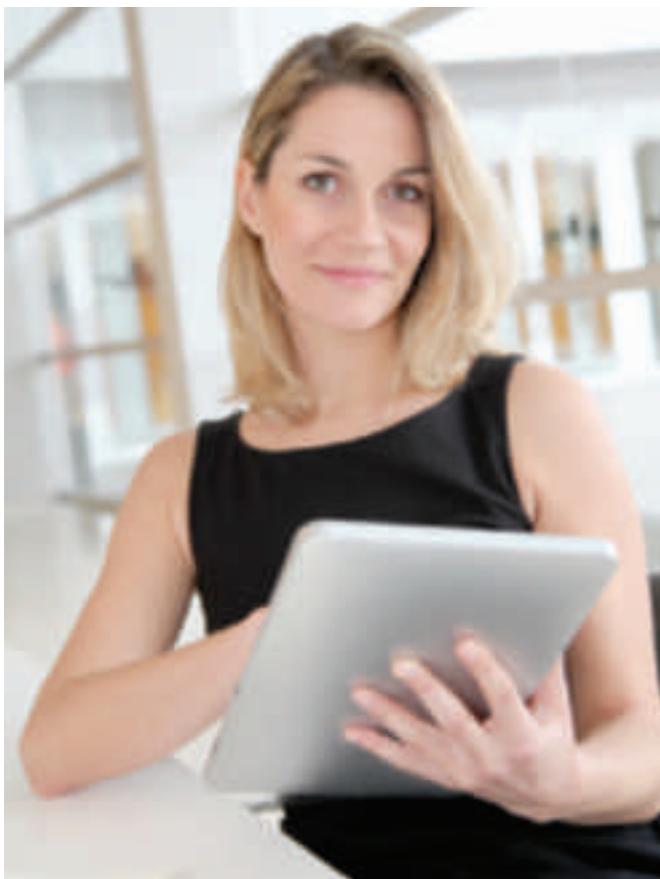
- Specially negotiated fee for anti-money laundering products. IAB members in practice will already be aware of the Money Laundering Regulations and the stringent demands now placed on them to ensure compliance. The revised Regulations impose an additional administrative burden on all 'Accountancy Service Providers', of which bookkeepers are included, who risk heavy fines and/or imprisonment for failing to comply. The IAB are happy to promote the anti-

money laundering product offered by AMLCC. They have developed a simple, easy-to-use online product to assist users in all areas of compliance. We have negotiated a £50 discount for members and the complete AMLCC product is available for £147 plus VAT. Please visit [www.amlcc.co.uk](http://www.amlcc.co.uk) for full details. To take advantage of the discount please enter 'AMLIAB' in the discount box.

Alternatively, you can call Stephen Watts on 01455 555 468 or e-mail [swatts@amlcc.co.uk](mailto:swatts@amlcc.co.uk) for details.

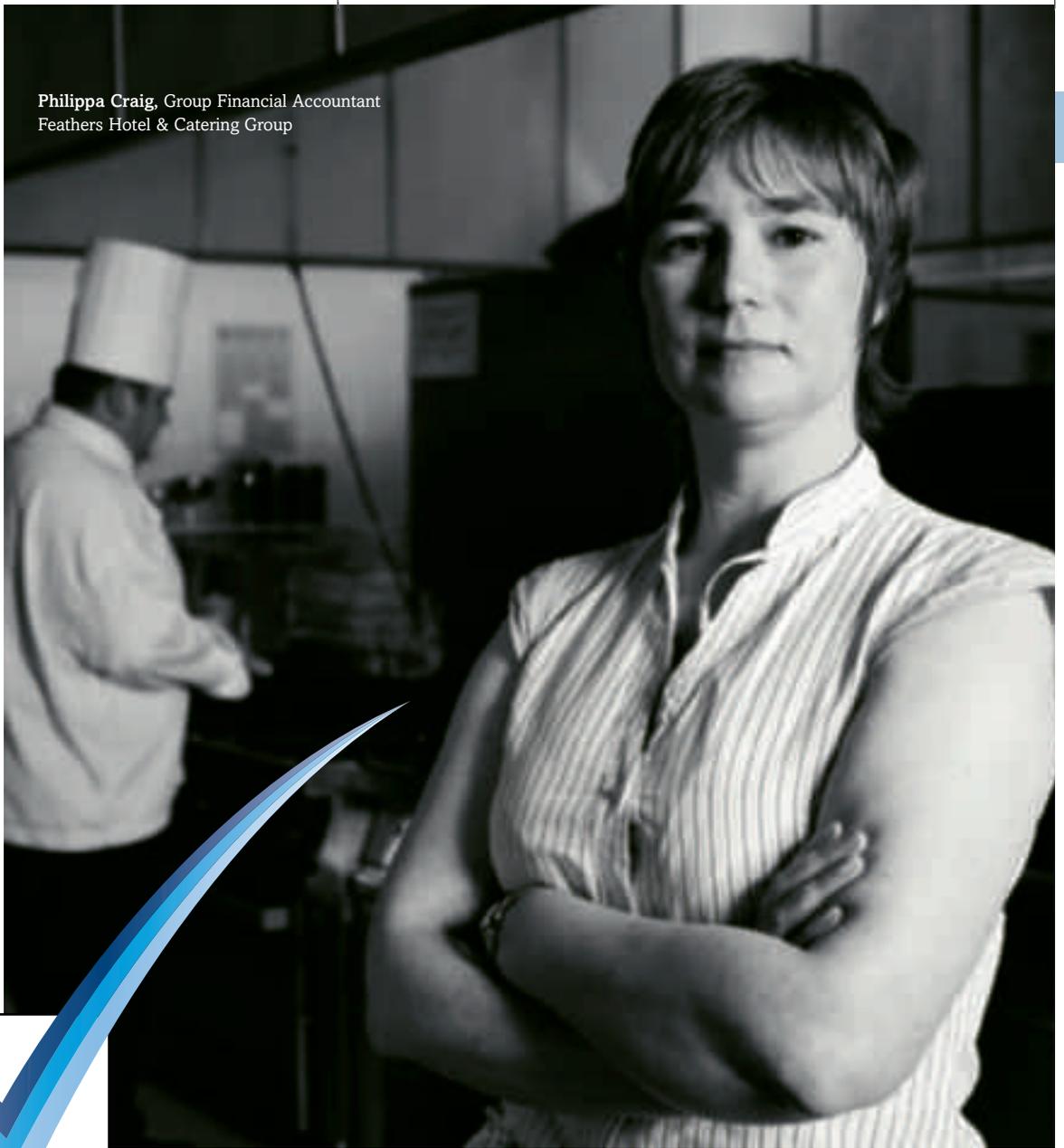
- Preferential schemes and rates for Tax Investigation Insurance (Abbey Tax and Solar Accounts) and Independent Financial Advice (IFS)
- More new benefits are being negotiated for implementation during 2012.

\* These Regulations require that those who provide accountancy, bookkeeping and payroll services to clients to be registered. This applies to all those who provide such services for payment (however small) on a self-employed or other business basis. IAB Members and Fellows offering services to clients MUST apply for an IAB Certificate of Compliance (for an additional fee) which will ensure that they will be registered with and supervised by the IAB. Due to a recent



change in the IAB Bye-laws, Associate members will also now be able to apply for a Certificate of Supervision. Failure to comply with the Regulations may lead to prosecution. To apply for a certificate please contact the Membership staff via e-mail ([membership@iab.org.uk](mailto:membership@iab.org.uk)) or by telephone 0844 330 3527 to register your interest and an appropriate application form will be sent to you as soon as possible.

Philippa Craig, Group Financial Accountant  
Feathers Hotel & Catering Group



It was my company that wanted to measure its carbon footprint

That called the Carbon Trust

That did the free on-site carbon survey

That showed us how we could reduce our footprint

That saved us money.

I think you should call the Carbon Trust too on **0800 085 2005**  
or visit [www.carbontrust.co.uk/carbonsurvey](http://www.carbontrust.co.uk/carbonsurvey)



Feathers Hotel & Catering Group cut energy costs by £87,000 a year through a free on-site carbon survey.\*  
A visit from the Carbon Trust could help your business reduce its carbon footprint, tackle climate change and cut energy costs.

\*Eligibility terms and conditions apply.

The Carbon Trust is an independent company grant funded by the Department for Environment, Food and Rural Affairs, the Department for Business, Enterprise and Regulatory Reform, the Scottish Government, the Welsh Assembly Government and Invest Northern Ireland.

# Continuing Professional Development: the lowdown



## What is CPD?

CPD (Continuing Professional Development) is a combination of approaches, ideas and techniques that will help you manage your own learning and growth (your professional development). The focus of CPD is firmly on results – the benefits that professional development can bring you in the real world.

In the foreseeable future it is unlikely that the flow of new accounting standards, legislation and acceptable accountancy and/or bookkeeping practice procedures will diminish. Present and future members must be prepared to maintain high standards of professionalism. Professional development does not end with an examination and a certificate on the wall; qualification standards of knowledge and competence must be maintained.

All members are required to be conversant with technical matters related to the profession and current legislation affecting them, their clients or employers. Accruing CPD points is a method of demonstrating continuing technical and professional competence.

## How CPD benefits you

- It helps build your confidence and credibility – you can see your progression by tracking your learning.
- You can earn more by showcasing your achievements – CPD is a handy tool for appraisals.
- It can help you achieve your career goals by focusing on your training and development.
- It will help you cope positively with change by constantly updating your skill set.
- You will be more productive and efficient by reflecting on your learning and highlighting gaps in your knowledge and experience.

## Requirements

The IAB Council recommends that all members should achieve, as a suggested minimum, 30 hours CPD points each 12 months (for practising members this should coincide with the certificated year). CPD records should be maintained individually and for those in practice submitted annually to Head Office, with the Certificate of Supervision, Certificate of Compliance or Practising Certificate application. In the event of a complaint against a member proof may be required that he/she has maintained awareness of current requirements. Many members, especially those beginning a new business venture, will find they need considerably more than this level of study.

## CPD points – Pro-active and Re-active

There are two types of CPD points that may be gained, Pro-active and Re-active. CPD points are accrued at one point per hour of learning.

**Pro-active** = Gaining knowledge directly relevant to the professional work of the member whether employed or selfemployed.

**Re-active** = Assimilating knowledge of broad interest to keep abreast of current trends directly or indirectly relevant to the professional work of the member.

## Recording the CPD points

A portfolio of evidence should be maintained showing receipts for learning materials/courses and containing attendance or completion certificates to be made in the event of a Compliance visit. Where such authentication is not available, i.e. after discussions with colleagues or preparation of complex work, a note should be made appropriately (i.e. in a log or a diary). Record sheets may be downloaded from the website or requested from Head Office.

## IAB Regional Seminars: meeting the CPD needs of members

### Thursday 13th October – London

We have two excellent regional seminars arranged for the benefit of members. The event carries a bonus of double CPD points (two per hour) reflecting the important content offered over the day.

#### Speaker

Michael O'Brien FIAB  
Julia Booton, JBAS Accounting Services  
Richard Ainsworth, Abbey Tax  
Independent Financial Services

#### Topic

Members' Handbook Content  
Compliance Monitoring Visits  
HMRC Record Checks  
Pensions/NEST

The full agenda will be displayed on the website. Charges (including lunch and refreshments) are £65 for Members (including IFA Dual members) and £80 for guests/non members.

### Thursday 10th November – West Midlands

The speakers will be as shown above. The cost of the day including lunch and refreshments is £65 for Members (including IFA Dual Members) and £80 for guests/non members.

Contact Kelly Iant or Mary-Anne Cook on 01732 897750 or email [kellyl@iab.org.uk](mailto:kellyl@iab.org.uk) for the full agenda and to book your place.

# IAB Pensions: how to create your own masterpiece

Pensions are like a work of art. Firstly, art begins with a blank canvas, on which you create any sort of picture you wish. With pensions, everyone's financial and personal situation is unique. With a work of art, one has many choices with the wide variety of colours one can choose from. With pensions, there are many choices or options that individuals have. This is why advice around retirement, as individuals save up for it or use their retirement pensions to enjoy their twilight years, is so important.

## Insufficient provision

A recent survey showed that half the population in the UK is not saving enough for their retirement. It also revealed that 30 per cent of the working population have made no provision at all and will rely solely on the state pension. A Chartered Insurance Institute (CII) report indicated a UK retirement savings deficit of £9 trillion. This comes at a time when we are all living longer – and this trend is expected to continue. The Government is so concerned that it is introducing the National Employment Savings Trust (NEST). This contains an element of compulsion for employers and employees to pay into a pension scheme or plan.

## Perceived complexity

The general public tend to view pensions as complicated and there is a lack of understanding and even fear surrounding them. Given the pace of recent innovations, as well as the amount of government legislative changes, this is perhaps not surprising.

There are a myriad of choices for people both saving towards their retirement and those taking their benefits.

## Positives!

Successive Governments have been keen to see the general public provide for their retirement and not to rely on the state. So pensions offer a number of positive tax breaks. There is tax relief on pension contributions. Over the years, the funds invested grow free of capital gains and income tax – except for the basic rate tax dividend – and can provide compound investment growth. Finally, for the vast majority of pensions, people can take tax free cash of up to 25% of the pension investments to buy that holiday home or go on that round-the-world cruise.

## Proactivity and planning ahead

Sound independent financial advice guides people through the various stages up to retirement. It also ensures that in retirement the best solution is found in relation to the choices of how to use their retirement funds. It may seem some way off, but



careful financial planning can give the peace of mind and flexibility in choosing the sort of retirement that is desired.

## Managing investments

Since the vast majority of pensions are defined contribution and are based upon market investments rather than safer final salary schemes, it is not surprising that many individuals find investment value fluctuations daunting. However, by regularly reviewing pension investments, and using the services of an IFA, retirement funds can be managed effectively. The IFA will ascertain a client's risk profile and their capacity for potential investment losses, and align them to the various asset classes in which their pensions are invested. This also means ensuring that there is sufficient diversification, i.e. not putting all of their eggs in one basket! This way individuals are able to have control on an ongoing basis to achieve their retirement goals.

• *This article has been kindly provided by Mark Grunwell. The IAB does not accept any responsibility for the accuracy of any statements made within it or for any omissions.*

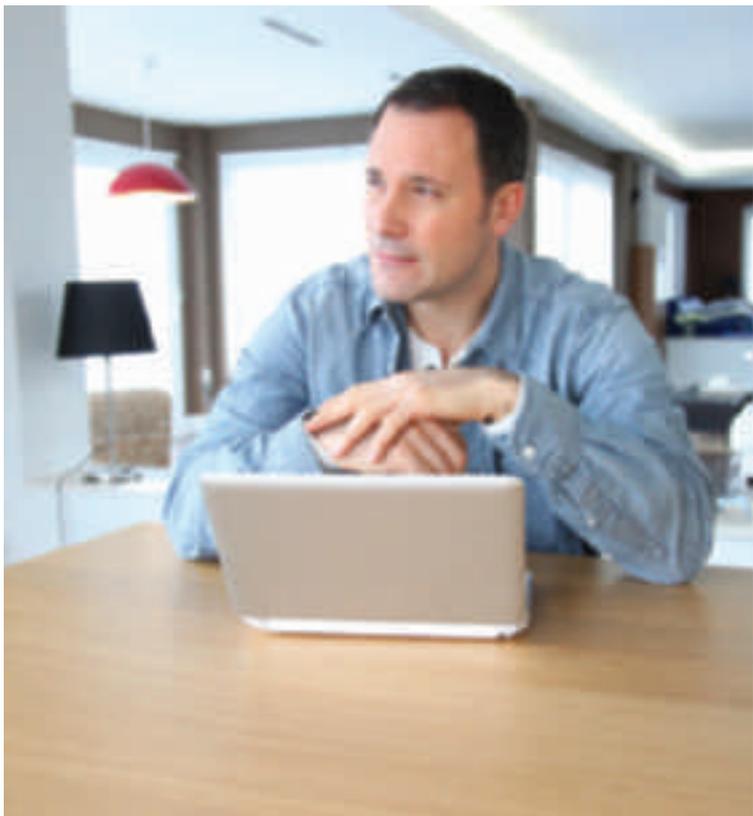
## Personal profile: Mark Grunwell

Mark has been a member of the IAB for about 20 years and he uses his IAB skills and knowledge in both running his business and advising clients. He has been working in the financial services industry for over 30 years. This has involved working in an investment bank dealing with underlying asset classes before moving into the financial advice arena on a holistic basis.

He is – in his own words – happily married with four children, and spends his leisure time fighting middle age by playing cricket and hockey! Should any member wish to contact Mark for advice regarding their own situation he can be contacted by email: [markgrunwell@platinumwm.co.uk](mailto:markgrunwell@platinumwm.co.uk), or mobile phone: 07870686155



# Companies House electronic services



Companies House is one of the government organisations at the forefront of the digital by default agenda. Over 99% of all searches on the companies register are electronic and over 70% of all transactions are filed digitally either through our website or via third party software. Our aim is to become a fully digital registry as soon as possible and last November we announced the intention to mandate electronic delivery of most of our filing services by March 2013. However, given our success in driving the take-up of our electronic services since November and the government's determination not to add new regulations that affect small business, we have now decided that we will not proceed with legislation to mandate electronic services by March 2013.

Instead of focusing in the short term on the process to mandate we will devote our resources to improving digital services for customers, including assisted digital services for businesses that need help using digital services, and make them the service of choice.

The biggest challenge is to drive the take-up for the electronic filing of company accounts. We are committed to using the iXBRL format for collecting accounts data, which is the same approach adopted by HMRC. We will work with the software industry to build on the work already done to meet the requirements of HMRC for submitting accounts electronically and in doing so make any change as simple as possible for companies and their agents. This will build on the success of the joint accounts filing service launched last year.

We remain focused on our goal of being a fully electronic registry. Mandating electronic services is an issue that we will reconsider once the moratorium on new regulation for small businesses has ended in 2014.

• Thanks to Companies House for this article

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# IAB UPDATE

## New service for IAB members

We are delighted to announce that we have agreed a new service for IAB members, offering them access to one of the UK's largest independent financial adviser firms, for both themselves and their clients.

Anyone advising small businesses should have access to truly unbiased advice on pensions, protection and employee benefits. Many rely on a bank, but this is often expensive and the advice is limited to the bank's product range.

The IAB have linked up with Independent Financial Services (UK) Ltd ("IFS") to provide such a service.

IFS is a national organisation, formed in 1994, and since 1997 the company has advised clients and members of the Federation of Small Businesses and Tax Assist Accountants – so they know what they are doing with SMEs.

IFS offer all IAB members and their clients a 'no obligation financial health check', worth £250. Simply put, one of IFS's trained and qualified advisers will assess their current position and advise whether improvements can be made to increase returns, save tax or reduce premiums.

It's a 'no-lose' service – either IFS can do better, and if they can't it has cost you nothing to find out.

IFS also offer members advice and guidance on the employer duties under the Pensions Act 2008. Call IFS for a free guide.

IFS can be contacted on 01543 797555 or e-mail [schemes@theifsgroup.com](mailto:schemes@theifsgroup.com)

• Independent Financial Services (UK) Ltd is an Appointed Representative of Lighthouse Advisory Services Ltd, which is authorised and regulated by the Financial Services Authority.

## APL Route to Fellow Membership and 'Registered Bookkeeper' Status

The academic route to Fellow membership of the IAB is by passing the IAB Level 3 Diploma in Accounting & Advanced Bookkeeping, and the IAB Level 3 Diploma in Computerised Accounting, or by holding equivalent qualifications from other awarding or professional bodies.

However, those not holding any formal qualification but with previous practical experience may wish to apply for Fellow membership of the IAB by Accreditation of Prior Learning (APL). You will be required to demonstrate the same level of knowledge and ability and, for this purpose, you will be required to carry out the following:

- Complete the Competencies Checklist – this lists the knowledge and skills that would be required to complete the above examinations. You must answer each question honestly and, on completion, read and sign the declaration and



ask someone who knows you well to act as your referee.

- You are also required to complete two practical Assignments, assuming the role of a self-employed bookkeeper.

The Assignments can be carried out as you see fit; for example, manually, using spreadsheets or a computerised accounts package. They should be viewed as work that would be undertaken for a client, rather than a 'text-book exercise', and should demonstrate best practice.

The time allowed for this work to be carried out is two months from date of issue and you will be advised of the outcome within six weeks.

If you are interested in becoming a Fellow member via this route, then please contact Kelly Lant or Louise Scott on 01732 897750 or email [membership@iab.org.uk](mailto:membership@iab.org.uk) for information.

### IAB CONTACT DETAILS

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 International: Telephone +44 1732 897750 Fax +44 1732 897751  
 Email: [mail@iab.org.uk](mailto:mail@iab.org.uk) Website: [www.iab.org.uk](http://www.iab.org.uk)

#### Key staff at IAB Head Office:

Compliance and Membership  
 Coordinator: Kelly Lant 01732 897759  
[kelly@iab.org.uk](mailto:kelly@iab.org.uk)  
 Finance & Membership Administrator: Louise Scott 01732 897755  
[louises@iab.org.uk](mailto:louises@iab.org.uk)

#### Education & Member Services

Coordinator: Chris Wooster 01732 897753 [chrisw@iab.org.uk](mailto:chrisw@iab.org.uk)  
 Education Administrator: Thomas Bird 01732 897752 [thomasb@iab.org.uk](mailto:thomasb@iab.org.uk)  
 Centre Support Officer: Ray Wilkinson 01732 897754 [rayw@iab.org.uk](mailto:rayw@iab.org.uk)



# Personal safety: make sure you can handle the unexpected

Among the everyday hustle and bustle of the world of work, people's awareness of the ever-changing environment they inhabit is usually a low priority. This priority can change dramatically and without notice. When things alter suddenly, we act upon our instincts and not with a cool head. That is when things start going wrong. What we can do to prevent this is to plan ahead for events that could occur, so that we can respond in a measured way. This affects us in the workplace, at home, when travelling, on holiday, socialising – any time, anywhere.

In the workplace there are responsibilities for both employers and employees concerning personal safety and exposure to violence.

These responsibilities are outlined in:

## Health and Safety at Work Act 1974

Under this Act employers have a legal duty to ensure, as far as is reasonably practicable, the health safety and welfare at work of their employees.

## Management of Health and Safety at Work Regulations 1999

These regulations state that employers must assess the risk to employees and make arrangements for their health and safety by effective planning, organisation, control, monitoring and reviewing. The risks covered should include the need to protect employees from exposure to reasonably foreseeable violence.

## Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 1995

These regulations state that employers MUST notify the health and safety enforcing authority if any act of non-consensual physical violence done to a person at work results in their death, serious injury or incapacity for normal work for three or more days. Workers can often be confronted with aggression or violent behaviour from customers, colleagues and managers. They may be sworn at, threatened and even attacked. Employers must assess the risk of verbal and physical violence to their employees and take appropriate action to deal with it. Recording incidents of abuse can assist employers in identifying patterns and assist with the management of incidents.

## Action might include:

- Identify the problem
- Decide on appropriate action
- Provide training and information
- Improve design of working environment (i.e. physical security, etc.)
- Improve job design
- Monitor and Review

## The risks in perspective

The estimated number of assaults and threats from the British Crime Survey in 2009/10, produced jointly by HSE and the Home Office, were 366,000 threats of violence to British workers during the 12 months prior to the interviews, and 310,000 physical assaults. The risk of experiencing at least one violent incident (threat or assault) was estimated at 1,400 per 100,000 workers for the year.

## What is violence?

"Violence is any behaviour that has damaging physical or psychological effects".

Points to consider when assessing your safety in the office include:

- Have you got a system to alert others in case of an emergency?
- Are you alone when opening up or closing down premises?
- Are you ever working alone?
- Are you fully alert when travelling to and from work?
- Have you a means of alerting others if you are experiencing abuse by the telephone or email?
- Has the public got access through unlocked doors?
- Are personal items in locked drawers and out of sight?
- Is there somebody you can speak to without fear of embarrassment or feeling intimidated?
- Do you work outside normal office hours?

• The IAB wishes to thank Chip-Fast Ltd for providing this article and for its collaborative support of the IAB.





# STUDY TEXT BOOKS

IAB study text books are available, covering the QCF bookkeeping range of qualifications as well as the 2008-2010 accredited qualifications. Written by IAB examiners, especially for learners working towards IAB qualifications, they cover the entire syllabus and feature worked examples, sample questions and answers. They are an invaluable part of the study process. The costs of these study texts have been kept to a minimum, and prices shown are for a UK delivery address and include post and packing.

If you don't want to miss out, complete the order form below and return it to the IAB by post, fax or email [louises@iab.org.uk](mailto:louises@iab.org.uk)

Item	Quantity	Price	Total
<b>IAB Level 1 Bookkeeping</b> incorporating <b>IAB Level 1 Award in Bookkeeping QCF &amp;</b> <b>IAB Level 1 Award in Manual Bookkeeping QCF</b>		£25.00	
<b>IAB Level 2 Bookkeeping</b> incorporating <b>IAB Level 2 Certificate in Bookkeeping QCF &amp;</b> <b>IAB Level 2 Award in Manual Bookkeeping QCF</b>		£30.00	
<b>IAB Level 3 Bookkeeping</b> incorporating <b>IAB Level 3 Certificate in Bookkeeping QCF &amp;</b> <b>IAB Level 3 Certificate in Manual Bookkeeping QCF</b>		£30.00	
<b>IAB level 4 Diploma in Accounting to International Standards*</b>		£25.00	
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**\*Original 2008-2010 Accredited Qualification Book**

**\*\* If you select the UK standard First Class postage option and the book is lost, you will be required to pay for any replacement required including postage. Only Special Delivery and Courier service is trackable with guaranteed delivery. Orders are sent out within 10 days and the special delivery upgrade does not guarantee next day delivery, only the guaranteed delivery or replacement as outlined above.**

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